

(i) The physical work on the rehabilitation began before January 1, 1982, and

(ii) The building does not meet the requirements of section 48(g)(1) of the Code as amended by the Economic Recovery Tax Act of 1981.

Roscoe L. Egger, Jr.,

Commissioner of Internal Revenue.

Approved: June 18, 1985.

Ronald A. Pearlman,

Assistant Secretary of the Treasury.

[FR Doc. 85-15644 Filed 6-27-85; 8:45 am]

BILLING CODE 4830-01-M

Bureau of Alcohol, Tobacco and Firearms

27 CFR Part 178

[T.D. ATF-208; Ref: Notice No. 502]

Retention of Firearms Transaction Records

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Treasury.

ACTION: Final rule, Treasury decision.

SUMMARY: Licensees are now required to keep records pertaining to firearms transactions indefinitely. These new regulations will liberalize that requirement, and provide that licensed dealers and licensed collectors will not be required to retain records for longer than 20 years and licensed manufacturers and licensed importers will not be required to retain disposition records for longer than 20 years.

EFFECTIVE DATE: July 29, 1985.

FOR FURTHER INFORMATION CONTACT:

J. Barry Fields, Firearms and Explosives Operations Branch, Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue, NW., Washington, DC 20226 (202-566-7591).

SUPPLEMENTARY INFORMATION:

Background

Since enactment of the Gun Control Act of 1968, the regulations have required that records of firearms transactions be permanently maintained by all licensees. Where a firearms business is discontinued and not succeeded by a new licensee, the permanent records must be delivered to ATF, unless State law or local ordinance requires otherwise. The record retention requirement has been based on two principal foundations. The maintenance of records on a permanent basis enables the Government to establish the movement of firearms in interstate or foreign commerce which is frequently

critical in the prosecution of criminal cases, and allows the Government to trace the ownership of firearms used in criminal activity, a function particularly important in support of State and local law enforcement.

Notice of Proposed Rulemaking

The Bureau published a notice of proposed rulemaking on February 14, 1984 (49 FR 5628), proposing to amend the regulations by changing the length of time that records of firearms transactions will be required to be retained by licensees. All licensees are now required to maintain records of firearms transactions on a permanent basis.

ATF proposed that the requirement for the retention of permanent records for licensed dealers and licensed collectors be changed to a retention period of not more than 20 years beginning on December 16, 1968, the effective date of the Gun Control Act of 1968. Licensed manufacturers and licensed importers may dispose of their disposition records after retaining such records for 20 years beginning December 16, 1968. However, manufacturers and importers would be required to retain, on a permanent basis, their records of manufacture, importation and other acquisition of firearms.

Records of firearms transactions that occurred prior to December 16, 1968, with the exception of records of manufacture, importation or other acquisitions by manufacturers and importers, will no longer be required to be retained as a result of this change in the regulations.

Approximately 225,000 Federal firearms licensees have been faced with ever-increasing storage costs in order to maintain on a permanent basis the large volume of these records. In addition, ATF is experiencing increasing costs of storing and maintaining voluminous records of out-of-business licensees.

A study conducted by ATF established that relatively few requests for traces of guns involved transactions older than 20 years.

Accordingly, a 20 year record retention period would not have a significant impact on ATF's capability to trace crime-related firearms.

Because of the diminished frequency in utilizing records over 20 years of age in tracing firearms used in crimes, the requirement to maintain permanent records of all firearms transactions is not justifiable based on the cost and administrative burden to both the firearms industry and the Government.

Requiring licensed manufacturers and licensed importers to permanently maintain the records of the manufacture,

importation, or other acquisition of firearms will enable the Government to continue to be able to prove the requisite interstate or foreign commerce element in the prosecution of felons and other prohibited categories of persons charged with unlawful shipment, transportation, receipt or possession of firearms. In addition, these records are very useful in determining the proper classification of firearms under Federal law, particularly in the areas of antiques and curios and relics.

Comments

During the 60 day comment period, 20 written comments were received. Three comments were received from associations and 17 were from individuals. Seven individuals stated a preference for a retention period of 10 years. Three of those persons stated no reason for their selection. One individual stated that he believed that a 10 year period would allay fears that the recordkeeping will be used as a data base for future firearms registration. One person believes that a trace of a firearm sold over 10 years ago is too "cold" to be effective. Two individuals stated that if a retention period of 20 years would save time and money, then, they reason, 10 years would save more.

An organization representing a large membership concurred in the change in the retention period, and also suggested a change in methods of retention. They suggested, in essence, that manufacturers and importers be designated repositories for handgun records that have been manufactured or imported by them. Transaction forms would be periodically sent to them by dealers for retention. This suggestion goes far beyond the proposed changes in the regulations and would create an excessive paperwork burden, particularly on importers and manufacturers.

Even though they did not comment on a particular time period, the International Association of Chiefs of Police, on behalf of its 14,000 members, responded to the notice with a copy of a resolution unanimously adopted at their annual conference supporting ATF's tracing capability. They recognize that the ability to trace firearms has been, and continues to be, an important element in the solution of crimes and the successful prosecution of criminals.

By changing the retention period from an indefinite to a definite period, ATF estimates that 7½ to 9 million forms may be disposed of each year beginning after 1988. On or after December 16, 1988, these forms can be discarded if

they reflect transactions more than 20 years old.

Statistical analysis of a recent year enables us to discern the impact upon our tracing capabilities of a decrease in the record retention period. Taking calendar year 1982 as our base, the following facts are presented.

ATF was asked by State, Federal and local entities to trace 32,206 firearms. Of these requests, 27,643 firearms were sold to the ultimate consumer within 20 years prior to 1982. If the 20 year retention period had been in effect in 1982, 4,563 firearms could not have been traced because they would have been outside of the retention period. This represents a loss of approximately 14%. Conversely, with a 20 year retention period 86% of the traces could be made.

With a retention period of five years; we would lose the ability to trace 59.1% of the firearms; with a period of 10 years, we would lose 35.3%; and with a period of 15 years, we would lose the ability to trace 20.3% of the requested traces.

Ninety-two percent of all the successful traces conducted in 1982 were of firearms sold in the years since enactment of the Gun Control Act of 1968. Eight percent of the successful traces would have been lost had the 20 year retention been in existence in 1982. Because we have no reason to believe that the statistics shown in 1982 are atypical, we can safely assume that future yearly statistics will follow the same general pattern.

By adopting a 20 year retention period we estimate that as many as 9 million Firearms Transaction Records (Forms 4473) can be destroyed by licensees. We will lose the ability to trace approximately 14% of the traces requested. ATF is of the opinion that this loss can be justified by the reduction in cost of the paperwork burden.

Regulation Change

This Treasury Decision changes the regulations to allow all licensed dealers and collectors to dispose of all records for transactions prior to December 16, 1968. Licensed manufacturers and importers may dispose of all disposition records prior to December 16, 1968. Licensed dealers and collectors may dispose of all records older than 20 years beginning on or after December 16, 1988. Licensed manufacturers and importers may dispose of all dispositions records older than 20 years beginning on or after December 16, 1988.

Drafting Information

The principal author of this document is J. Barry Fields, Firearms and

Explosives Operations Branch, Bureau of Alcohol, Tobacco and Firearms.

Executive Order 12291

It has been determined that this final rule is not a "major rule" within the meaning of Executive Order 12291 of February 17, 1981, because it will not have an annual effect on the economy of \$100 million or more; it will not result in a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographical regions; and it will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Regulatory Flexibility Act

The provisions of the Regulatory Flexibility Act relating to an initial and final regulatory flexibility analysis (5 U.S.C. 603, 604) are not applicable to this final rule, because it will not have a significant economic impact on a substantial number of small entities. The rule will not impose, or otherwise cause, a significant increase in the reporting, recordkeeping, or other compliance burdens on a substantial number of small entities.

Accordingly, it is hereby certified under the provisions of section 3 of the Regulatory Flexibility Act (5 U.S.C. 605(b)) that this final rule will not have a significant economic impact nor compliance burden on a substantial number of small entities.

Paperwork Reduction Act

The collection of information requirements contained in this proposal has been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act (OMB control number 1512-0129).

List of Subjects in 27 CFR Part 178

Administrative practice and procedure, Arms and munitions, Authority delegations, Customs delegations, Customs duties and inspection, Exports, Imports, Military personnel, Penalties, Reporting requirements, Research, Seizures and Forfeitures, Transportation.

Authority

Accordingly, under the authority in 18 U.S.C. 926 (82 Stat. 1226), 27 CFR Part 178 is amended as follows:

PART 178—COMMERCE IN FIREARMS AND AMMUNITION

Paragraph 1. The authority citation for Part 178 continues to read in part:

Authority: 18 U.S.C. 921-928; 44 U.S.C. 3504(h) * * *.

Par. 2. The table of sections in 27 CFR Part 178 is amended by adding an entry for § 178.128 to read as follows:

Subpart H—Records

Sec.

* * * * *

178.128 Record retention.

* * * * *

Par. 3. Section 178.121 is amended to change the retention period for records in paragraph (a) and to revise the Office of Management and Budget control number. As revised, § 178.121(a) and the OMB control number at the end of the section read as follows:

§ 178.121 General

(a) The records pertaining to firearms transactions prescribed by this part shall be retained on the licensed premises in the manner prescribed by this subpart and for the length of the time prescribed by § 178.128. The records pertaining to ammunition prescribed by this part shall be retained on the licensed premises in the manner prescribed by § 178.125.

* * * * *

(Information collection requirements in paragraph (a) approved by the Office of Management and Budget under control number 1512-0129; information collection requirements in paragraphs (b) and (c) approved by the Office of Management and Budget under control number 1512-0387)

Par. 4. Section 178.124(b) is revised to change the retention period for firearms transaction records to read as follows:

§ 178.124 Firearms transaction record.

* * * * *

(b) Licensees shall retain in alphabetical (by name of purchaser), chronological (by date of disposition), or numerical (by transaction serial number) order, and as a part of the required records, each Form 4473 obtained in the course of transferring custody of the firearms.

* * * * *

Par. 5. Section 178.125 is amended to change the retention period for firearms receipt and disposition records and to revise the Office of Management and Budget control number. As revised, the first sentence of § 178.125(e) and the OMB control number at the end of the section read as follows:

§ 178.125 Record of Receipt and Disposition

(e) *Firearms receipt and disposition.* Each licensed dealer and each licensed collector shall enter into a record each receipt and disposition of firearms or firearms curios or relics. * * *

(Information collection requirements in paragraph (e) approved by the Office of Management and Budget under control number 1512-0129; all other record keeping approved by the Office of Management and Budget under control number 1512-0387.)

Par. 6. Subpart H is amended by adding a new § 178.128 to read as follows:

§ 178.128 Record retention.

(a) *Records prior to Act.* Licensed importers and licensed manufacturers may dispose of records of sale or other disposition of firearms prior to December 16, 1968. Licensed dealers and licensed collectors may dispose of all records of firearms transactions that occurred prior to December 16, 1968.

(b) *Firearms transaction record.* Licensees shall retain each Form 4473 for a period of not less than 20 years after the date of the transaction.

(c) *Records of importation and manufacture.* Licensed importers and licensed manufacturers shall maintain permanent records of the importation, manufacture or other acquisition of firearms. Licensed importers' records and licensed manufacturers' records of the sale or other disposition of firearms after December 15, 1968, shall be retained through December 15, 1988, after which records of transactions over 20 years of age may be discarded.

(d) *Records of dealers and collectors under the Act.* The records prepared by licensed dealers and licensed collectors under the Act of the sale or other disposition of firearms and the corresponding record of receipt of such firearms shall be retained through December 15, 1988, after which records of transactions over 20 years of age may be discarded.

(Approved by the Office of Management and Budget under control number 1512-0129)

Signed: January 17, 1985.

Stephen E. Higgins,
Director.

Approved: February 15, 1985.

John M. Walker, Jr.,
Assistant Secretary (Enforcement and Operations).
[FR Doc. 85-15529 Filed 6-27-85; 8:45 am]
BILLING CODE 4810-31-M

DEPARTMENT OF LABOR

Employment and Training Administration

29 CFR Parts 93, 94, 95, 96, 97, 97a, 97b, 98, and 99

Programs Under the Comprehensive Employment and Training Act of 1973

AGENCY: Employment and Training Administration, Labor.

ACTION: Final rule; removal of regulations.

SUMMARY: The Department of Labor is issuing a final rule to remove the regulations found at 29 CFR Parts 93, 94, 95, 96, 97, 97a, 97b, 98, and 99, which were promulgated under the repealed Comprehensive Employment and Training Act (CETA).

The CETA regulations in Title 29, CFR, are primarily of historical value and do not affect the current operation of any program. Therefore, the Department of Labor has decided that it is no longer necessary to continue publication of the CETA regulations in future editions of Title 29, and the regulations are being removed from the CFR.

EFFECTIVE DATE: June 28, 1985.

FOR FURTHER INFORMATION CONTACT: Mr. Roberts T. Jones. Telephone (202) 376-6604.

SUPPLEMENTARY INFORMATION: On October 13, 1982, the President signed into law the Job Training Partnership Act, Pub. L. 97-300 (JTPA). JTPA, among other things, repealed the Comprehensive Employment and Training Act (CETA). JTPA section 184(a)(1).

The CETA regulations in 29 CFR Parts 93 *et seq.* governed programs funded under the Comprehensive Employment and Training Act of 1973, as amended. Pub. L. 93-203; Pub. L. 93-567. In 1978, CETA was amended extensively and reauthorized. Pub. L. 95-224. As a result, the CETA regulations at 29 CFR Parts 93 *et seq.* were superseded in many particulars by the regulations implementing the 1978 CETA reauthorization. See 20 CFR Parts 675 *et seq.*

The CETA regulations in Title 29, CFR, are primarily of historical value and do not affect the current operation of any program. Therefore, the Department of Labor has decided that it is no longer necessary to continue publication of the CETA regulations in future editions of Title 29, and the regulations are being removed from the CFR.

This rulemaking does not affect the CETA regulations in Title 20, CFR. Those regulations are of use to the Government's and the CETA grantees' attorneys and representatives in closing out, settling, and litigating CETA grants.

Regulatory Impact

This document reflects the removal of regulations for which there is no current statutory authority. Therefore, this document is not a rule or regulation as defined in Executive Order No. 12291. In addition, this document was not preceded by a general notice of proposed rulemaking, and is not a rule as defined in the Regulatory Flexibility Act, 5 U.S.C. 601(2) and 604(a).

Catalog of Federal Domestic Assistance Number

This program was listed in the *Catalog of Federal Domestic Assistance* at 17.211, 17.218, 17.219, 17.228, 17.230, 17.232, 17.233, and 17.234.

List of Subjects in 29 CFR Parts 93, 94, 95, 96, 97, 97a, 97b, 98 and 99

Manpower training.

Promulgation of Final Rule

Accordingly, Title 29, Code of Federal Regulations, is hereby amended by removing Parts 93, 94, 95, 96, 97, 97a, 97b, 98, and 99.

Authority: Sec. 2, Pub. L. 95-524, 92 Stat. 1909 (29 U.S.C. 801 note); sec. 184 (a)(1), Pub. L. 97-300, 96 Stat. 1322, 1357.

Signed at Washington, D.C. this 25th day of June 1985.

William E. Brock,

Secretary of Labor.

[FR Doc. 85-15653 Filed 6-27-85; 8:45 am]

BILLING CODE 4510-30-M

Office of Labor-Management Standards

Office of Pension and Welfare Benefit Programs

29 CFR Parts 460, 461, 462, 464, 465, 485, 486, 2550, and 2580

Reorganization of Rules Relating to the Bonding of Employee Benefit Plan Officials; Removal of Obsolete Plan Reporting Regulations From the Code of Federal Regulations

AGENCIES: Office of Labor-Management Standards and Office of Pension and Welfare Benefit Programs, Labor.

ACTION: Final rule.

SUMMARY: This document contains a final rule which redesignates certain regulations relating to the bonding of

employee benefit plan officials and removes obsolete regulations relating to welfare and pension plan reports from the *Code of Federal Regulations*. These changes are necessary as a result of a recent reorganization within the Department and should enhance the usability of the Department's regulations.

EFFECTIVE DATE: June 28, 1985.

FOR FURTHER INFORMATION CONTACT:

Rudy Nuissl, Office of Pension and Welfare Benefit Programs, (202) 523-8671, or Kay Oshel, Office of Labor-Management Standards, (202) 523-7373.

SUPPLEMENTARY INFORMATION:

Background

The Employee Retirement Income Security Act of 1974 (ERISA) places responsibility in the Department of Labor for the administration of a comprehensive program to protect the interests of participants and beneficiaries of private employee benefit plans. The Secretary of Labor's Order 9-77 (42 FR 4950, September 27, 1977) delegated authority for the ERISA program to the Assistant Secretary for Labor-Management Relations. The Secretary of Labor has terminated that delegation and assigned the authority for the ERISA program to the Administrator of the Office of Pension and Welfare Benefit Programs (OPWBP), making OPWBP a separate agency of the Department of Labor. These changes were effected by the Secretary of Labor's Order 1-84, which was signed on January 20, 1984 and published in the *Federal Register* on February 3, 1984 at 49 FR 4269.

On May 3, 1984, the Secretary of Labor's Order 3-84 (49 FR 20578, May 15, 1984) established in the Department an Office of Labor-Management Standards (OLMS), formerly the Office of Labor-Management Standards Enforcement, under the supervision of the Assistant Secretary for Labor-Management Standards. OLMS is responsible for, among other things, administration of the Department's regulations contained in Chapter IV of Title 29 of the *Code of Federal Regulations* (CFR).

ERISA section 412 requires generally that plan officials who handle funds or other property of employee benefit plans be bonded. On January 10, 1975, the Department published a temporary bonding regulation under ERISA section 412 (29 CFR 2555.1, redesignated as 29 CFR 2550.412-1 on May 12, 1975, at 40 FR 20654). Temporary regulation 29 CFR 2550.412-1 references selected portions of the bonding regulations issued under the authority of section 13 of the

Welfare and Pension Plans Disclosure Act (WPPDA) and makes them applicable to plan officials under ERISA. Specifically incorporated are all of Subparts A through E of Part 464 except for § 464.2 (basic bonding requirements), Subpart B of Part 465 (exemptions from bonding requirements) and Part 485 (prohibition against bonding by parties interested in the plan) of Subchapter B of Chapter IV of CFR Title 29.

Temporary regulation 29 CFR 2550.412-1 did not extend the life of the WPPDA or the regulations issued thereunder past January 1, 1975, which is the date as of which the WPPDA was repealed. Rather, the temporary regulation incorporated the substance of selected portions of the WPPDA regulations pending the adoption of final bonding regulations under ERISA section 412. Since the WPPDA regulations in Subchapter B of Chapter IV of CFR Title 29 were issued under a statute which has been repealed, they presently have relevance only to the extent that portions of them are referenced in the temporary bonding regulation issued under ERISA.

Because the WPPDA bonding regulations do not pertain to matters now under the jurisdiction of OLMS, it is necessary that they be removed from Chapter IV of CFR Title 29 and transferred to Chapter XXV of CFR Title 29, which pertains to matters under the jurisdiction of OPWBP. In addition, it is necessary that those remaining WPPDA regulations which are not being transferred to Chapter XXV of CFR Title 29 be removed from the *Code of Federal Regulations*. Those WPPDA regulations that are being removed from the *Code of Federal Regulations* relate to matters which are now governed by ERISA and regulations issued thereunder.

Discussion of Final Rule

This final rule reorders portions of the Department of Labor's regulations to reflect the new organization of the Department. Under this rule, the WPPDA regulations which are referenced in temporary regulation 29 CFR 2550.412-1 are transferred from Subchapter B of Chapter IV of CFR Title 29 to Chapter XXV of CFR Title 29. Specifically, the rule transfers all of Subparts A through E of Part 464 (except for § 464.2), Subpart B of Part 465 and Part 485 of FR Chapter IV of CFR Title 29. The remaining WPPDA regulations in Subchapter B of Chapter IV of CFR Title 29 are removed from the CFR by this document. Also, the heading of Chapter IV is changed to "Office of Labor-Management Standards."

The transferred regulations are placed in Part 2580 of Subchapter I of Chapter XXV of CFR Title 29. This new Subchapter and Part are dedicated in their entirety to holding the transferred WPPDA bonding regulations pending the adoption of final bonding regulations under ERISA section 412. The section designations of the transferred WPPDA regulations are being changed to reflect their new location. This document contains a redesignation table correlating the new ERISA regulation section designations with the old WPPDA regulation section designations. This table will appear in the Finding Aids Section of the 1985 edition of CFR Title 29 (Part 1920 to End).

In addition, this document amends temporary regulation 29 CFR 2550.412-1 to make clear that the WPPDA bonding regulations referenced therein are now located in Part 2580 of Subchapter I of Chapter XXV of CFR Title 29, rather than in Chapter IV of CFR Title 29.

Publication in Final

This document does not represent a complete recodification and updating of the Department's regulations but is instead limited to those areas specifically identified above. The Department has determined that this reorganization of regulations need not be published as a proposed rule, as generally required by the Administrative Procedure Act (APA, 5 U.S.C. 553), since this rulemaking merely reflects agency organization, procedure and practice. It is thus exempt under section 553(b)(A) of the APA. Temporary regulation 29 CFR 2550.412-1, as amended by this document, will remain in effect until permanent bonding regulations under ERISA section 412 are adopted.

Effective Date

This document will become effective upon publication pursuant to 5 U.S.C. 553(d). The undersigned have determined that good cause exists for waiving the customary requirement for delay in the effective date of a final rule for 30 days following its publication. This determination is based upon the fact that the rule is technical and non-substantive, and merely reflects agency organization, practice and procedure.

Executive Order 12291

This rule is not classified as a "rule" under Executive Order 12291 on Federal Regulation because it is a regulation relating to agency organization, management or personnel. See section 1(a)(3).

Regulatory Flexibility Act

Because no notice of proposed rulemaking is required for this rule under section 553(b) of the APA, the requirements of the Regulatory Flexibility Act (5 U.S.C. 601) pertaining to regulatory flexibility analysis do not apply to this rule. See 5 U.S.C. 601(2).

Paperwork Reduction Act

This final rule is not subject to section 3504(h) of the Paperwork Reduction Act (44 U.S.C. 3501) since it does not contain any new collection of information requirement.

List of Subjects in 29 CFR Parts 2550 and 2580

Employee benefit plans, Employee Retirement Income Security Act, Pension plans, Welfare plans, Bonding.

Adoption of Amendments of Regulations

For the reasons set forth above, Chapters IV and XXV of Title 29, *Code of Federal Regulations*, are amended as follows:

CHAPTER XXV—OFFICE OF PENSION AND WELFARE BENEFIT PROGRAMS, DEPARTMENT OF LABOR

SUBCHAPTER F—FIDUCIARY RESPONSIBILITY UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

PART 2550—RULES AND REGULATIONS FOR FIDUCIARY RESPONSIBILITY

1. The authority citation for § 2550 continues to read as follows:

Authority: Sec. 505, Employee Retirement Income Security Act of 1974, Pub. L. 93-406, 88 Stat. 894 (29 U.S.C. 1135), unless otherwise noted. Sec. 401b-1 also issued under sec. 102, Reorganization Plan No. 4 of 1978 (43 FR 47713, Oct. 17, 1978), effective December 31, 1978 (44 FR 1065, Jan. 3, 1979), 3 CFR, 1978 Comp., 332.

1a. The heading for Chapter XXV is revised as set out above.

§ 2550.412-1 [Amended]

2. The following references in the first sentence of paragraph (a) of § 2550.412-1 are changed as follows:

from "Part 464" to "Part 2580";

from "Subpart B of Part 465" to "Subpart F of Part 2580";

from "Part 485" to "Subpart G of Part 2580".

3. The parenthetical phrase "(except for § 464.2 thereof)" is deleted from the first sentence of paragraph (a).

4. The following sentence is added immediately after the first sentence of

paragraph (a): "Part 2580 of Title 29 of the *Code of Federal Regulations* incorporates material previously designated as Subparts A through E of Part 464, Subpart B of Part 485 and Part 485 of Title 29 of the *Code of Federal Regulations*."

SUBCHAPTER I—TEMPORARY BONDING RULES UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

5. A new Subchapter I, consisting of Part 2580, entitled "Temporary Bonding Rules Under the Employee Retirement Income Security Act of 1974", is added to Chapter XXV of CFR Title 29.

6. A new Part 2580 (redesignated from Parts 464, 465, and 485), entitled "Temporary Bonding Rules", is added to the new Subchapter I of Chapter XXV of CFR Title 29.

7. The material shown in the table below in Parts 464, 465, and 485 of Chapter IV of CFR Title 29 is redesignated as material in Part 2580 of Subchapter I of Chapter XXV of CFR Title 29, with the new designations specified in the following table. The left-hand column contains the former section designations. The right-hand column contains the new section designations.

Former part 464, 465 or 485 section designation	New part 2580 section designation
464.1	2580.412-1
464.3	2580.412-2
464.4	2580.412-3
464.5	2580.412-4
464.6	2580.412-5
464.7	2580.412-6
464.8	2580.412-7
464.9	2580.412-8
464.10	2580.412-9
464.11	2580.412-10
464.12	2580.412-11
464.13	2580.412-12
464.14	2580.412-13
464.15	2580.412-14
464.16	2580.412-15
464.17	2580.412-16
464.18	2580.412-17
464.19	2580.412-18
464.20	2580.412-19
464.21	2580.412-20
464.22	2580.412-21
464.23	2580.412-22
465.15	2580.412-23
465.16	2580.412-24
465.17	2580.412-25
465.18	2580.412-26
465.19	2580.412-27
465.20	2580.412-28
465.21	2580.412-29
465.22	2580.412-30
465.23	2580.412-31
465.24	2580.412-32
485.1	2580.412-33
485.2	2580.412-34
485.3	2580.412-35
485.4	2580.412-36

8. A Table of Contents is added for the new Part 2580, reading as follows:

PART 2580—TEMPORARY BONDING RULES

Subpart A—Criteria for Determining Who Must Be Bonded

- Sec.
- 2580.412-1 Statutory provisions.
- 2580.412-2 Plans exempt from the coverage of section 13.
- 2580.412-3 Plan administrators, officers and employees for purposes of section 13.
- 2580.412-4 "Funds or other property" of a plan.
- 2580.412-5 Determining when "funds or other property" belong to a plan.
- 2580.412-6 Determining when "funds or other property" are "handled" so as to require bonding.

Subpart B—Scope and Form of the Bond

- 2580.412-7 Statutory provision—scope of the bond.
- 2580.412-8 The nature of the duties or activities to which the bonding requirement relates.
- 2580.412-9 Meaning of fraud or dishonesty.
- 2580.412-10 Individual or schedule or blanket form of bonds.

Subpart C—Amount of the bond

- 2580.412-11 Statutory provision.
- 2580.412-12 Relationship of determining the amount of the bond to "handling".
- 2580.412-13 The meaning of "funds" in determining the amount of the bond.
- 2580.412-14 Determining the amount of funds "handled" during the preceding reporting year.
- 2580.412-15 Procedures to be used for estimating the amount of funds to be "handled" during the current reporting year in those cases where there is no preceding reporting year.
- 2580.412-16 Amount of bond required in given types of bonds or where more than one plan is insured in the same bond.
- 2580.412-17 Bonds over \$500,000.

Subpart D—General Bond Rules

- 2580.412-18 Naming of insureds.
- 2580.412-19 Term of the bond, discovery period, other bond clauses.
- 2580.412-20 Use of existing bonds, separate bonds and additional bonding.

Subpart E—Qualified Agents, Brokers and Surety Companies for the Placing of Bonds

- 2580.412-21 Corporate sureties holding grants of authority from the Secretary of the Treasury.
- 2580.412-22 Interests held in agents, brokers and surety companies.

Subpart F—Exemptions

Bonds Placed With Certain Reinsuring Companies

- 2580.412-23 Exemption.
- 2580.412-24 Conditions of exemption.

Bonds Placed with Underwriters at Lloyds, London

- 2580.412-25 Exemption.
2580.412-26 Conditions of exemption.

Banking Institutions Subject to Federal Regulation

- 2580.412-27 Exemption.
2580.412-28 Conditions of exemption.

Savings and Loan Associations Subject to Federal Regulations

- 2580.412-29 Exemption.
2580.412-30 Conditions of exemption.

Insurance Carriers, Service and Other Similar Organizations

- 2580.412-31 Exemption.
2580.412-32 Conditions of exemption.

Subpart G—Prohibition Against Bonding by Parties Interested in the Plan.

- 2580.412-33 Introductory statement.
2580.412-34 General.
2580.412-35 Disqualification of agents, brokers and sureties.
2580.412-36 Application of 13(c) to "party in interest".

Authority: Sec. 505, Pub. L. 93-406, 88 Stat. 894 (29 U.S.C. 1135), sec. 412(e), Pub. L. 93-406, 88 Stat. 899 (29 U.S.C. 1112).

Note.—Sections 2580.412-1 through 2580.412-36 were redesignated from Parts 464, 465 and 485 of Title 29 of the *Code of Federal Regulations*.

9. All internal references in the newly redesignated part are revised as appropriate to reflect the new section designations.

§ 2580.412-26 [Amended]

10. 29 CFR 2580.412-26 is amended by changing the name "Office of Labor-Management and Welfare-Pension Reports" wherever it appears to read "Office of Pension and Welfare Benefit Programs".

CHAPTER IV—OFFICE OF LABOR-MANAGEMENT STANDARDS, DEPARTMENT OF LABOR

12. The title of Chapter IV of CFR Title 29, now reading "Office of Labor-Management Standards Enforcement, Department of Labor" is changed to read "Office of Labor-Management Standards,

SUBCHAPTER B—WELFARE PENSION REPORTS**PARTS 460 THROUGH 486 [REMOVED]**

13. The regulations in Subchapter B of Chapter IV of CFR Title 29 (Parts 460, 461, 462, 464, 465, 485 and 486) are removed and the Subchapter and Part headings relating thereto are vacated.

Dated: June 24, 1985.

Alan D. Lebowitz,

Acting Administrator, Office of Pension and Welfare Programs.

Ronald J. St. Cyr,

Acting Assistant Secretary for Labor-Management Standards.

[FR Doc. 85-15490 Filed 6-27-85; 8:45 am]

BILLING CODE 4510-29-M

PENSION BENEFIT GUARANTY CORPORATION**29 CFR Part 2644****Notice and Collection of Withdrawal Liability; Adoption of Additional Interest Rate**

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: This is an amendment to the Pension Benefit Guaranty Corporation's regulation on Notice and Collection of Withdrawal Liability. That regulation incorporates by reference certain interest rates published by another federal agency. The effect of this amendment is to add to the appendix of that regulation a new interest rate to be effective from July 1, 1985, to September 30, 1985.

EFFECTIVE DATE: June 28, 1985.

FOR FURTHER INFORMATION CONTACT:

John Carter Foster, Attorney, Multiemployer Regulations Group, Corporate Policy and Regulations Department (611), Pension Benefit Guaranty Corporation, 2020 K Street, NW., Washington, D.C. 20006; 202-254-4860 (2020-254-8010 for TTY and TDD). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION: On May 31, 1984, the Pension Benefit Guaranty Corporation (the "PBGC") published a final regulation on Notice and Collection of Withdrawal Liability.

That regulation, codified at 29 CFR Part 2644, deals with the rate of interest to be charged by multiemployer pension plans on withdrawal liability payments that are overdue or in default on or after July 2, 1984 (the effective date of the regulation), or to be credited by such plans on overpayments of withdrawal liability made on or after that date. The regulation allows plans to set such rates, subject to certain restrictions. Where a plan does not set such rates, § 2644.3(b) of the regulation provides that the rate to be charged or credited for any calendar quarter is the average quoted prime rate on short-term commercial loans for the fifteenth day (or next

business day if the fifteenth day is not a business day) of the month preceding the beginning of the quarter, as reported by the Board of Governors of the Federal Reserve System in Statistical Release H.15 ("Selected Interest Rates").

Since the regulation incorporates by reference interest rates published in Statistical Release H.15, that release is the authoritative source for the rates that are to be applied under the regulation. As a convenience to persons using the regulation, however, the PBGC collects the applicable rates and republishes them in an appendix to Part 2644. See 50 FR 12790 (April 1, 1985). This amendment adds to this appendix a new interest rate of 10 percent, which will be effective from July 1, 1985 to September 30, 1985. This rate is based on the prime rate in effect on June 17, 1985, as reported by the Federal Reserve in Statistical Release H.15.

The appendix to 29 CFR Part 2644 does not prescribe interest rates under the regulation; the rates prescribed by the regulation are those published in Statistical Release H.15. The appendix merely collects and republishes the rates in a convenient place. Thus, the interest rates in the appendix are informational only. Accordingly, the PBGC finds that notice of and public comment on this amendment would be unnecessary and contrary to the public interest. For the above reasons, the PBGC also believes that good cause exists for making this amendment effective immediately.

The PBGC has determined that this amendment is not a "major rule" within the meaning of Executive Order 12291, because it will not have an annual effect on the economy of \$100 million or more; nor create a major increase in costs or prices for consumers, individual industries, or geographic regions; nor have significant adverse effects on competition, employment, investment, innovation or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Because no general notice of proposed rulemaking is required by this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

List of Subjects in 29 CFR Part 2644

Employee benefit plans, Pensions.

PART 2644—[AMENDED]

In consideration of the foregoing, Subchapter F of Chapter XXVI of Title 29, Code of Federal Regulations, is amended as follows: